



DEPARTMENT OF ADMINISTRATIVE SERVICES

STATE OF CONNECTICUT

165 Capitol Avenue  
Hartford, CT 06106-1658

**S.B. 473**  
**An Act Concerning State Contracting**

**H.B. 5514**  
**An Act Concerning Agency Reports**

**Joint Committee on Government Administration and Elections**  
**March 19, 2010**

**DAS Supports S.B. 473's Changes to the Construction Contractor Prequalification Program**

Sections five through seven of Senate Bill 473, An Act Concerning State Contracting, relate to the Department of Administrative Services ("DAS") Construction Contractor Prequalification Program. DAS supports this language and offers the following testimony for the Committee's background and information.

The DAS Construction Contractor Prequalification Program is a screening process that evaluates construction companies to ensure they meet certain baseline standards to work on state-funded construction projects. By statute, the contractor prequalification unit evaluates a number of factors, such as a company's financial background, its experience in certain construction classifications, its record of performance, integrity, the company's safety record, and other criteria. Obtaining a prequalification certificate from DAS does not guarantee a company any state work; it only allows a company to bid on state projects or on municipal projects that receive some state funding.

DAS strongly believes that performance evaluations are the backbone of the prequalification process. We have been considering ways for the DAS prequalification team to obtain more performance evaluations on contractors; to strengthen the truthfulness, accuracy and timeliness of performance evaluations; and to bolster our use of performance evaluations in our prequalification process. S.B. 473, coupled with administrative changes we plan to make to the program, will help DAS move in the right direction with regard to these goals.

The most significant administrative change DAS plans to implement involves modifying the application process to ensure that DAS receives more performance evaluations for contractors seeking renewals of their prequalification certificate. Currently, when a contractor first applies for prequalification, it must submit performance evaluations for its three most recently completed projects in each classification sought. These evaluations are completed by private or public projects owners, in-state or out-of-state. When a contractor files a renewal application, however, it currently provides only evaluations for any construction project subject to the prequalification statutes (i.e., projects with a value of \$500,000 or more, funded in whole or part by the State of Connecticut) on which it worked as a prime in the preceding year. DAS does not believe that the

current process affords enough of an opportunity to review the recent performance of companies seeking prequalification renewal.

Under the new process, if a contractor did not work on enough projects subject to the prequalification statutes during the preceding year, it will be required to provide evaluations from its three most recently completed projects. As with the initial application process, these evaluations may come from either public or private project owners, in-state and out-of-state. This will enable DAS to obtain a more complete view of the contractor's current record of performance.

DAS anticipates that this change in our renewal process will result in more evaluations from private project owners. S.B. 473 supports this administrative change by extending the liability protections currently provided to public project owners who complete evaluations to the private project owners as well. Extending this liability protection will promote compliance and will help ensure that we receive honest evaluations from these private project owners.

S.B. 473 also strengthens DAS's ability use the evaluations in a meaningful way. Currently, DAS is able to deny prequalification or disqualify a company with a poor performance record only if the average of all of the company's evaluations on file falls below the minimum threshold for satisfactory performance. Thus, even if DAS receives several unsatisfactory evaluations about a contractor, DAS cannot disqualify that contractor if the average continues to remain above the minimum threshold as a result of older, better evaluations.

S.B. 473 allows DAS to address such situations by giving DAS the authority to deny prequalification or disqualify a company if the company receives four or more unsatisfactory evaluations within a three year period. This would eliminate the problem of failing contractors remaining prequalified based solely on outdated evaluations, while continuing to reward contractors that demonstrate consistently good performance over the years.

DAS believes that the legislative changes in S.B. 473, coupled with the administrative changes that we will be making to the program, will enable us to get access to more performance evaluations on contractors and to use those evaluations more effectively.

### **DAS Supports HB 5514**

DAS would like to take this opportunity to express its support for **House Bill 5514, An Act Concerning State Reports**. H.B. 5514 changes C.G.S. §11-4a to require that the State Library receive one (1) copy of each report filed by state agencies with the legislature or the Governor, instead of the 17 copies currently required, thereby assisting agencies in their efforts to reduce costs. DAS respectfully urges this Committee to consider allowing agencies to file all reports subject to C.G.S. §11-4a electronically in order to achieve additional savings.

Thank you for considering DAS's views on Senate Bill 473 and House Bill 5514. If the Committee has any questions regarding this testimony, please contact DAS's legislative liaison, Andrea Keilty (860) 713-5267.